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TO FIND THEMSELVES"

TRAINING FOR A LIFE INSURANCE AGENT

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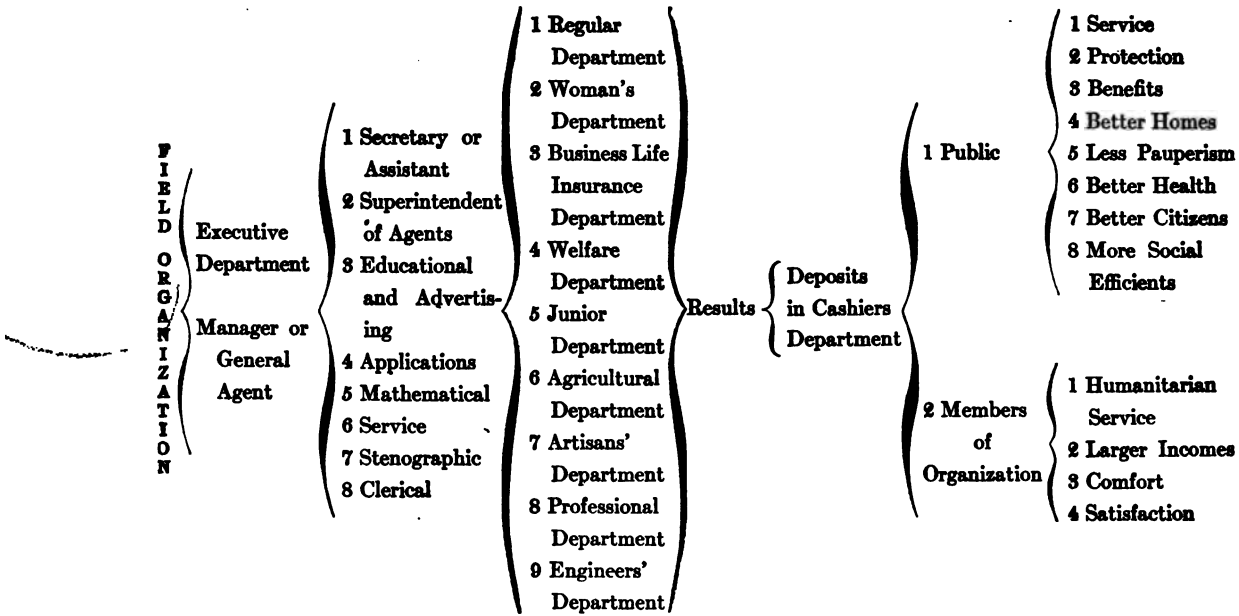

A MODEL AGENCY ORGANIZATION

LIPPINCOTT'S TRAINING SERIES

TRAINING FOR A LIFE INSURANCE AGENT

BY

WARREN M. HORNER

LIFE INSURANCE AGENT AND MANAGER, WRITER AND LECTURER ON LIFE INSURANCE TOPICS

"Be not a man of many words nor busy about too many things."
—MARCUS AURELIUS.

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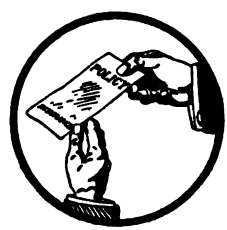

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THIS BOOK IS DEDICATED TO

JOSEPH ASHBROOK

FROM WHOM I HAVE RECEIVED
GREAT INSPIRATION AND HELPFUL
SUGGESTIONS IN MY LIFE'S WORK

"How blessed is he who crowns
in shades like these,
A youth of labor with an
age of ease."

—GOLDSMITH.

"One science only will one genius fit,
So vast is art, so narrow human wit."

—POPE.

INTRODUCTION

A PREFACE to a book should be like any other introduction, a sort of "Who's Who—Why's Why—and What's What" proposition. At any rate, I am the one who has been selected by the publishers to set down some facts about an important world movement because there is much need for such a work.

The Life Insurance business is conspicuous in contrasts. It is the most important thing to the people, and they know the least about it. It is the most scientific business in the world, with very unscientific methods in the producing end. It is a veritable fairyland for the imaginative mind, in its ramifying opportunities for constructive service and personal development. Yet one must go through the darkest, coldest dungeon of despair and privation to attain mastery.

It has the most enticing allurements for the really successful on the gilded side; yet the average agent is a financial failure, and a greatly preponderating number of those

who undertake the work never attain any reasonable success, but stray into other pastures.

There are good reasons for these apparently irreconcilable divergent conditions, and I hope to make them reasonably clear in the chapters of this book.

I believe in Life Insurance as a vocation, not passively, but with a burning intensity that is almost an obsession. It is not, however, any job for a lightweight or a shirk. Anyone who desires to enter the Life Insurance business should study the situation carefully, and make the fight only after he feels called to this great work of conservation.

This book is written, primarily, for those directly interested in the Life Insurance business, but in a non-technical manner so that it may be of value to laymen, especially those interested in salesmanship.

I have striven earnestly and naturally to add something of value where there is great need for enlightenment and standardized endeavor, and sincerely hope the reader's verdict will be that it is not written in vain.

WARREN M. HORNER.

January, 1917.

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PART I

TRAINING FOR A LIFE INSURANCE AGENT

TRAINING FOR A LIFE INSURANCE AGENT

CHAPTER I

Opportunity

As an institution for systematic thrift, as a means of preventing want and pauperism, as a medium of safeguarding the home and old age, as an equalizing force in business, and as a leveller of human affairs, sound Life Insurance stands as a great bulwark to mankind.

It is quite unusual that a business of such ramifying importance in its economic and beneficent value to the public should be accorded so much prejudice and be so generally shunned as a vocation. This bias and aloofness has materially lessened in recent years, but the condition is still far from satisfactory, although without any fundamental reason.

Life Insurance, in its inception, was asso-

ciated with death and its resultant sorrows and harrowing experiences. The fact that the business, in its beginning or undeveloped stages, apparently had to do only with death and its grim realities, made the work of early proponents of the system fraught with staggering hardships. The crusading methods required to break down prejudice and lack of understanding, to get people to do the very obvious thing of insuring their lives, served to build up prejudice against the business as lacking caste. Indeed, Life Insurance agents, as a rule, have been regarded as a sort of necessary evil, and even by many as an unnecessary evil. The preposterousness of this point of view cannot alter the fact of its existence. Neither does the condition militate against the business in its opportunities, exactly the reverse being true.

Before amplifying the many opportunities afforded by the business of Life Insurance, a brief survey of its development in the United States should be given.

The founders of the system of Legal Re-

serve Life Insurance builded better than they knew. It is the greatest system of finance in behalf of the public weal ever devised. In this country, with its rapid growth and multiplication of fortunes and enterprises, with incident hazards, Life Insurance has become both a personal and business necessity, and is viewed generally, and very properly, in the light of a conservation measure.

It is unfortunate that those at the home offices and in the field who dealt with the public in the early stages did not themselves have a clearer idea of the true significance of the business, and dress their presentation of the subject in a more attractive manner, from a human and economic standpoint. Much of the prejudice and aloofness toward Life Insurance and its salesmen would never have existed had a broader and saner presentation been given the public from the start, and a more efficient and scientific method of appointing and training agents been practised.

Again, the lack of a drastic uniform state

law, or, what is far better, a federal law, for the incorporation and control of companies, has resulted in much spuriousness and exploitation to aggravate anti-public opinion.

With all these handicaps, the business has grown in value enormously, and in the minds of the public, in a better understanding and appreciation of its benefits to them, and to such an extent as to make the opportunity limited only by the capacity and energy of the agent.

The modern interpretation of Life Insurance is not just *Death Assurance,* but live insurance for live people. While the business is built around the uncertainty of life and certainty (uncertainty of time) of death, it has gradually taken on a more human and attractive dress, in the shape of income and annuity policies, or those used in business as fiscal governors in an enterprise, and as welfare or profit-sharing media for employees of all classes.

The business does hold wonderful oppor-

tunity for the agent who can, and will, make the fight in breaking through the outer crust of antagonistic public mind to the inner state of both a conscious and subconscious attitude of receptivity. The piercing of this armor of aloofness is a man's job, and only those possessed of understanding and industry should undertake the work.

Fortunately, the co-operative method of compensation based upon results, and elimination of the salary evil, offer inducements in that the merit system prevails entirely as to financial reward. This feature is made the more attractive because the agent is paid not only a commission on the first, but also on subsequent premiums. These renewal or collection payments are, under certain conditions, paid even after the agent leaves the service, owing to death, incapacity or resignation. This building of an income as a future reward is both just and sound business procedure.

From the compensatory angle, there are three very important and attractive advan-

tages in Life Insurance as a vocation: (a) The unlimited absorbing power of the public; (b) the co-operative nature of reward, eliminating salary evils; and, (c) The payments over a term of years resulting in a non-forfeitable estate to the worthy individual who remains steadfastly with one company.

For those who are ambitious for promotion and place, Life Insurance offers great inducements. The companies are actually hungry for real, capable men and women to fill responsible positions. The comparative newness of the business, in its larger aspect, as practised in the United States and the Dominion of Canada, has created a shortage of individuals who can join production with executive ability, and for such the opportunity is ample,—greater, in fact, than in any other field not requiring large capital.

Then for those red-blooded members of society who have the constructive, building disposition, who are interested in something aside from the humdrum, trite, everyday

experience of their fathers and grandfathers, and who do not desire to select their vocation à la "rich man—poor man—beggarman—thief — doctor—lawyer—merchant—chief" fashion, Life Insurance holds wonderful opportunities.

Its operations, in the field, have been characterized by wasteful and unscientific methods. The scope for originating and carrying out modern efficiency methods is limitless. It is a poor job for the individual who cannot self-inaugurate something.

Life Insurance enters into the hearts and homes of people of all classes. Therefore, viewed in the light of the grouping of society in the superficial, or outward castes, the business has a wide range in the opportunity for remunerative employment of people of different strata of business and social caste. Those familiar with the needs and desires of each class can better serve that class in supplying them with protection.

The history of the most efficient company organization has proven, conclusively, the

foregoing: that agents of moderate, average and phenomenal ability all succeed in due proportion when properly trained and gifted with industry, a sound mind and a good heart.

Why, then, with all this opportunity for accomplishment, in ethical and financial uplift, do so many fail?

The reasons are public aloofness, unscientific methods and lack of time-accountability, together with the fact that the agent must always be pulling up-stream in keeping at work. However, these reasons are only surface, and not fundamental. The real reason so many fail is that Life Insurance is the "acid test" of salesmanship.

It calls for superior ability in discernment of human nature, backed by industry and intensive power to sway people to harmonious action. Without these, continuous and cumulative success is impossible.

It has been shown that there is abundant opportunity for a wide range of individuals in the Life Insurance business; that promo-

tions are promised and remuneration, in method and amount, attractive; that opportunity for success is ample for those of average ability, and large for those of large ability.

More important, however, is the fact that the business embraces or calls for more attributes of human responsiveness, right dealing, fair dealing and square dealing than any other human agency. If practised as it should be followed, it will cultivate a logical mind, analytical wisdom as to social and economic conditions, and, above all, and more important than all, a disposition to love and care for one's fellows.

CHAPTER II

Who Should Begin—When, and How

I. WHO SHOULD BEGIN

If the reader is impressed with the sentiment in the closing words of the preceding chapter, he then possesses one of the requisites of a Life Insurance agent.

It is folly to engage in the work without a pulling at the heart-strings because of the great human side of the business, and unless there is a thorough understanding and appreciation of Life Insurance, as a world force, in its economic and beneficent relation to humanity.

Too many young men waste time " feeling out " other people in choosing a vocation. If the advice of someone else is going to be taken on selecting a vocation, keep out of Life Insurance, because it has enough failures aboard already. It takes a little clear grit to break into the Life Insurance profession—it is no place for a molly-coddle.

Then, in seeking the opinion of others, much misinformation is acquired, as there are many individuals, glib of tongue but void of understanding, who scoff at the business as a vocation.

Self-analysis should be used liberally, in selecting one's life work, as to disposition and capabilities. However, many persons carry self-analysis and inquiry beyond the necessary limits of reason.

By the same token that a person can do some one thing successfully, he can do some other thing creditably, with the application of the same amount of energy and enterprise. It is not the intention to convey the idea that a good blacksmith would make a painter of works of art, and so on, but, outside the fine arts and major professions, the rule laid down does apply.

Life Insurance, as a vocation, is properly classed in a twilight zone between a profession and ordinary business, embracing, as it does, the attributes and opportunities of both. It is a poor job for a cold, clammy

individual, with a sordid ambition and a warped soul. It is a business where personality counts—personality, with gentlemanly enthusiasm outside, and quick discernment of human nature, plus conviction, inside.

Where doubt exists in regard to becoming a Life Insurance salesman, study the characteristics of Ex-presidents Taft and Roosevelt, and Ex-premier Asquith and his successor, Lloyd George, as opposites, and then Woodrow Wilson as a composite, in some degree, of all these personalities.

Mr. Taft's highly-specialized, judicial mind, lacking executive positiveness, does not possess the requisites necessary to success in Life Insurance field work. Mr. Roosevelt, with his many-sidedness, but with these qualities toned down, is fine. Mr. Asquith, with his great judicial and parliamentary ability, is too cold. Lloyd George, in quick grasp, human responsiveness and positiveness, is ideal.

Woodrow Wilson is enough of a composite to not be set aside like Taft and

Asquith, and too austere to be classed with Roosevelt or Lloyd George.

It is the intention to convey to the reader that personalities resembling, to a preponderating degree, the characteristics of Ex-president Taft and Mr. Asquith are not adaptable to the business; and that personalities, with a leaning toward the qualities of Ex-president Roosevelt and Lloyd George, are equipped to an unusual degree for success.

Furthermore, that there are a large number of individuals who possess the adaptability of President Wilson, without either the preponderating negative qualities of a Taft or an Asquith, nor the overwhelming positive requisites of a Roosevelt or a Lloyd George, who can still attain very creditable accomplishments.

The fact should be clearly visualized that there is more adaptability in the human make-up than most people realize, and this should not be overlooked, especially with young people. With reasonable adapta-

bility, opportunity and determination are mighty factors.

The author is firmly convinced that a careful study of the foregoing will greatly aid individuals seeking light as to their fitness or adaptability for the business of Life Insurance, and that their own deliberative judgment, exercised by such process, is far more valuable than a hasty conclusion reached by shopping around for ideas.

In conclusion, for this part, remember that there is an opening for individuals of moderate, average and exceptional ability, as mentioned in the first chapter, and as will be more clearly shown in those to follow.

II. WHEN

A generation ago, young men at the threshold of their life's work rarely entered the business. The young man who did so was the exception, not the rule. It was commonly supposed that a young man could not cope with the difficulties and obstacles to be overcome, in lack of understanding and prej-

udice existing in the public mind. It was thought necessary to employ, as agents, older men who had acquired ability to meet and overcome difficulties. This led to the practice of recruiting for agents from among those who had spent years in other fields of work, and desired to change to something more lucrative and congenial, and also from the ranks of failures and the down-and-outs.

This was a baneful practice, and it has been difficult to outgrow the evil. When the business awoke to an appreciation of its possibilities for young men, and to the fact that it needed their fighting qualities and growing propensities, it found the early practice had built an artificial wall to keep out these young men.

However, this aloofness is rapidly wearing away, because of more standardized methods and better understanding. Young men, college graduates, and all those with a purposeful attitude toward their future find a ready and lucrative market for their

activities, if applied with zeal and determination.

It is entirely fitting that young men should take up Life Insurance as their initial work, and follow it through to the end of their life's journey. There is nothing against, and everything in favor of, such a practice, as in all important vocations. They should begin when young, and spend their building, constructive years fitting themselves for the big things of place and accomplishment which can only come in any life or profession by years of growth and development.

Happily, educational institutions, through their own vision in practicalizing education, and with the aid of leading insurance men, are incorporating Life Insurance in their curricula, so that graduates are better fitted to understand Life Insurance as an economic force, and its relation to them as a means of livelihood.

Many companies and large agencies have their own schools of insurance and salesmanship, and abundant opportunity is given the

younger generation to grasp the advantages which the business offers. The training given in these courses, and in real service, is very valuable, even if the recruit should eventually follow some other calling.

While Life Insurance is pre-eminently a business to enter while young, as an initial venture no hard-and-fast rule can be laid down. Many men have taken up the work later in life, because of its freedom of time and operation, and made conspicuous successes, but these same men would, of course, have gone much further had they applied their activities from the start.

Therefore, the Life Insurance business should be taken up by young men—college graduates, high school graduates, or other young men who select it as their first and only vocation.

III. HOW

Many a good Life Insurance agent has never reached a reasonable fruition of his powers, or has left the business as a total or partial failure, because of a poor start.

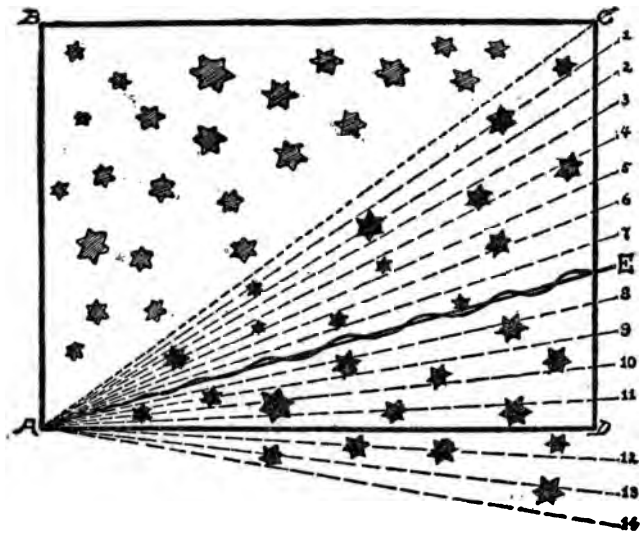
LIFE INSURANCE

The first essential for a beginner is to thoroughly understand the business, in its broad economic aspects. This means study at the start, and study all the way through to the end,—study of the economic and beneficent value of Life Insurance, study of human nature, study of self and systems of work applicable to the individual.

The agent should not *try* the business. It should be taken up as a life's work, with a determination to stick. It is a man's job, and will not mix with anything else. It is ethically and fundamentally wrong to mix it with anything else.

The agent should be ambitious to serve his friends and acquaintances, not to prey upon them. The things shown in the accompanying diagram should be clearly visualized and followed. The agent should learn when to talk, and when not to talk. He should learn to arrange interviews to best bring results. Life Insurance should be regarded, and sold, as a conservation of man's energy or earning power—as live insurance for live

people. Figuratively, the salesman should look through a man like an X-ray, and see, beyond, his loved ones, or business, or both, and talk protection for these, not just selling arguments to put dollars in his own pocket.



This efficiency diagram is constructed on the theory that an individual's effort for success should be dominated by the idea that a straight line is the shortest distance between two points.

Point E is an individual's visualized ambition.

The straight line A–E is the visualized course that this individual must hold in mind.

The curved line is the general course that a successful individual will travel who keeps in mind

the visualized point and indulges in directly applied energy, remembering that a straight line is the shortest distance between two points.

A, B, C and D represent the scope of an individual's efforts, practical and otherwise, between just existing, A to D, and rising to maximum capacity, A and C.

C is the highest point of accomplishment that a given individual can attain.

The dotted lines above E represent the actual course of a successful career of one who keeps in mind point E, and works in accordance with curved line A and E.

Of course, the curved line A and E with the successful individual actually becomes a curved line to follow the course of one of the dotted lines above E or A-7, 6, etc., to assumed maximum, A and C.

Dotted lines below E, and between E and D, represent a lessening of vigilance and efficiency. A and D is just keeping one's head above water.

Below D is failure, and point 14 total failure.

A, B and C is the forbidden zone.

The stars represent points of contact of an individual when he is working inefficiently or in an impractical way. Stars in the forbidden zone, bounded by A, B and C, represent points of contact of an individual where he is wasting his energy entirely because of being outside his sphere as a means to the end to be accomplished.

The purpose of this diagram is to convey the idea that so many people are constantly working in the zone A, B and C, and represented by the stars therein, working out of their element, indulging in impractical and visionary things in their daily work.

An important lesson to be learned from the diagram is that an individual will always reach a higher goal than the objective, provided he work constantly for an objective and indulge in directly applied energy, eliminating wasteful and impractical endeavor.

What is in the mind of the agent is easily conveyed to the prospect. Therefore, intelligent, sincere and sustained effort gets cumulative results. Many men drift in the business. This is a wicked shame, for only a small percentage of people are adequately insured, and millions come into an insurable age every year.

The agent should not drift or work in any hap-hazard fashion. He should respond to the time-accountability system of an organization, and be severe and honest with himself, striving from the start to be the best

Life Insurance agent in his "own home town." He should be considerate of others, but never suppliant, and remember the inscription on the Gates of Busyrane:

"Be Bold!"
"Be Bold, Be Bold, and Evermore Be Bold!"
"Be Not Too Bold!"

An agent should not begin with the idea that he is going to make a fortune the first year, nor should he be ambitious to succeed his manager or be president of the company without earning those jobs.

One of the greatest difficulties with the younger generation, and especially college graduates, is a too impatient and arrogant attitude toward doing the work of an apprentice, and in not wanting to work and wait a sufficient length of time for advancement. In other important vocations or professions, such as engineering, banking, law and medicine, few men attain the very big things until nearly forty years of age, and in the major

professions spend years and money in preparation.

Yet, thousands of Life Insurance agents have tried the business and given up when they did not succeed the first six months. If a college graduate has spent four years to prepare his mind to assimilate big things, he has a missing link somewhere if he is not willing to spend, if necessary, a couple of years in preparation for his real life's work, in the actual school of experience.

Advancement in income, or to managerial or official positions, is a matter of evolution and revolution. No one ever attains to a thing worth while without burning up a tremendous amount of energy during some particular period.

To learn to do anything well means to be "Patient as Destiny," to know how to wait; not sit and wait, but work and wait. Success means earnest, manful effort; grim energy dominated by a personality willing to take risks by crossing bridges and burning them *en route.*

CHAPTER III

Salesmanship

A good substitute should be found for the word "salesmanship" because the word, or that for which it stands, is actually in disrepute on account of being considered, in the minds of altogether too many individuals, as representing a sort of cunning, the possession of which is rather against, than for, the individual. Unless this condition can be corrected so that the meaning is interpreted as being a high order of approach, which results in the meeting of minds, some other word which better comports with advanced ideas on selling should be substituted.

Small consideration should be given the idea that only a favored few are born salesmen, because only the unfavored minority cannot become efficient members of a sales organization. Every individual is selling something every day of his life. A good salesman is a born gentleman who is not lazy.

SALESMANSHIP

All human accomplishment hinges around salesmanship. Even advertising is a form of salesmanship. Salesmanship is driving power—militancy—not the noisy, flamboyant kind, but that born of industry, enterprise, determination and inherent gentlemanly qualities.

A Life Insurance salesman is a composite individual, exercising the qualities of the ordinary salesman, plus functions of the leading professions, combined with the knowledge of the economist and sociologist.

Life Insurance salesmanship has been shunned because of the percentage of failures registered by those who engaged in the work, and because of the common misconception of the importance and dignity of the business as a profession.

Failures in salesmanship—not alone in Life Insurance, but in every field—have been multiplied owing to the lack of constructive sales methods in the decorum employed in daily work, and the unscientific methods of organizing and developing sales forces.

LIFE INSURANCE

That more failures, in proportion, have occurred in the Life Insurance business, is due to intensifying of evils existing generally, and for the further reason that the Life Insurance business is the "acid test" of all salesmanship, requiring a more varied and higher order of ability to acquire success.

It is a business where the glib, shallow individual will not last. In Life Insurance, and in every line of business, the American people should get away from the idea that salesmanship is just the union of buyer and seller, through word of mouth. Salesmanship is a composite idea in the ethics, psychology, logic and economy of marketing all commodities. It is a local, national and international matter of far-reaching importance. It strikes at the very heart of the nation, through every individual enterprise, corporate entity, and public servant, and is vital in every business, affecting every one, from the most humble employee to the proprietor.

We need more constructive salesmanship. More constructive salesmanship, in ordinary

commercial lines, means better and more adaptable goods, greater efficiency in manufacture, more attractive packages, prompt delivery and broader fiscal policies. As another result, our own public and the foreign buyer will be met by a salesforce that has been selected and instructed on more standardized and enlightened methods.

Constructive salesmanship in the Life Insurance business necessitates the cultivation of the idea and practice of selling one's brains by a sagacious method of approach and publicity, just as the lawyer and the doctor employ in building a successful practice in their professions.

The minister or college professor who indulges in a little well-ordered publicity, and brushes up against the public, is the one who receives calls to greater fields of activity. They make more money and do more good for humanity than their more silent brethren.

Life Insurance has been likened to all four of these professions, and it does embrace most of the attributes of them all.

Some feel that the agent is made too idealistic by this kind of education, and that there is engendered in him the idea of sitting around waiting for people to come to him for business, instead of indulging, as he must, in unremitting toil.

If the agent is thoroughly imbued with the economic and beneficent value of Life Insurance and the preposterousness of the layman feeling that he is not carrying a message of great business and sentimental value; if he is adequately trained and inspired with habits of systematic work, and imbued with the efficacy of time-accountability; and, finally, made to realize that, in his initial work, he must be ready to overcome huge obstacles and to fight discouragements, there cannot then be builded too idealistic a structure in his mind as to the professional side of what he is doing, nor as to the monumental value of the system of Legal Reserve Life Insurance.

A salesman cannot succeed, in any vocation, without exercising an enormous amount

of physical and mental energy. Many salesmen are prone to overdo the physical, and neglect the mental development of their work.

Salesmanship, especially Life Insurance salesmanship, is not a matter of brute force or series of strong-arm jabs. It is the ability to " nose out " prospects and close them with the finesse of a diplomat.

In the " Letters from a Self-made Merchant to his Son," by George Lorimer (Small, Maynard and Company), the very pertinent expression is used: " A real salesman is one-part talk and nine-parts judgment; and he uses the nine-parts of judgment to tell when to use the one-part of talk."

The truism cannot be too often told that a salesman should know his own goods thoroughly, and those of his competitor as well. It is quite important, however, that he should learn the art of creating sales by playing-up the strong points of his own goods, and not the weak ones of his competitors'.

The way to be positive is—to be positive

and not negative. Tearing-down, or traducing, is bound to be negative. Even where actual comparisons are to be made, by the use of legitimate adroitness, the negative existing on the opposing side can be shown by a strong playing-up of the positive or superior qualities of one's own article.

The psychology of the written and spoken word, both in what is actually expressed, to the sequential arrangement of ideas, is extremely important. Psychology is a great aid in the study and discernment of human nature.

A great many instructors on salesmanship give the wrong "mind slant" to their students by instruction in regard to how to shake hands or look at an individual, incorporating statements about the signature on the dotted line, and other weakening and obsolete or hurtful expressions.

A studied approach is a poor approach. Inherent good breeding, not ball-room ethics, will tell a real salesman how to approach each client or customer. Originality of ap-

proach, thought and expression in each individual interview is the real way. No really efficient salesman will shake hands until the one on whom he is calling indicates a desire or readiness to grasp his hand.

Furthermore, a keen, intuitive reader of men will never stand near enough to his prospect but that the other must take a step forward, if desirous of a cordial handshake greeting.

This unobtrusive method of approaching men is advisable not alone because of the offensiveness of breathing in one's face, but it has to do with the very fundamental fact that men of affairs—many of them justly, though some falsely—hold a somewhat exalted idea of the sacredness of the space, about six feet in diameter, immediately surrounding their personality.

The humor of this exclusiveness, in many cases, does not alter the advisability of respecting it.

The old silk-hatted, rough-and-tough, Bill-and-Joe type of salesman is rapidly giving

away to the quiet, gentlemanly, positive individual who, by concentration, study and enterprise, becomes a dynamic force, with a come-back that is stronger and more skilful each time.

A Life Insurance agent should learn to develop a dual-minded process of canvassing a client. This means to acquire the faculty of talking enthusiastically, forcefully and convincingly about a proposition, and still observe the client thoroughly, without his becoming aware that he is being watched.

Here again, the instinctive, intuitive knowledge of human nature, and a quick grasp of what pleases or jars, rather than a cold analysis or staring of men out of countenance, makes for large and continued success.

Salesmanship is a great vocation, calling for study in and out of one's particular line. Life Insurance salesmanship rises to the plane of a profession, and further discussion of specific methods properly comes under the three succeeding chapters.

CHAPTER IV

System and Efficiency

There is much scoffing at what is characterized as overplaying of the words "system" and "efficiency." In most instances those prone to ridicule the words and their modern application are the most in need of the things these words imply.

Fathers and mothers, educational institutions—public and private, common school and collegiate—have been turning loose on the public each year a few millions of young men and young women who are wholly unfitted for the practical affairs of life. The United States is sorely in need of speeding up on system and efficiency, to co-ordinate its internal force by a proper and adequate union of man-power and natural advantages.

It is no idle statement to assert that the waste in time, natural resources and lack of scientific methods, of which the country is

guilty each year, is enormous, and far more than we actually create in new value.

The Life Insurance business, because of the newness and peculiar nature of the work, has been conspicuous in its hit-or-miss methods in field work. The commission method of remuneration was not conducive to the control of agents along efficiency lines. But wherever an individual for himself, or a company or manager, laid down time-accountability and reporting system along lines portrayed by the blank as printed on the opposite page, better and increased results have been realized.

During the last decade, the business has been revolutionized and is constantly moving to a higher level by the incorporating of system and efficiency plans, and in instructing the agent how to best employ his time.

In a real, up-to-date agency organization, the manager makes it his business to know when and how his associates start each day's work, and just how they apply their activities during the day. Where a large number

AGENT'S WEEKLY REPORT

The record of my work for week ending month .....day.....year.....is given below:

I made....return calls on Monday,....Tuesday, ...Wednesday, ...Thursday, ... Friday,.....Saturday.

I made.....new calls on Monday,.....Tuesday, ...Wednesday, ...Thursday, ... Friday,.....Saturday.

I wrote.....applications, amounting to $..... insurance, of which $.....were Endowment, $.....Limited Payment Life, $..... Ordinary Life, and $.....Term.

The Premiums for the week amounted to $..... of which $.....is Cash settlement and $..... Time settlement.

I have.....new premiums over-due amounting to $.....

I have....renewal premiums over-due amounting to $.....

I turned in during the week with those accompanying this report a total of....new records giving age and date of birth.

Remarks .....

.....

.....

Signed ..... *Agent.*

(The office will be glad to have the Agent make any special comment under "Remarks" which he may deem of assistance to me in arriving at a comprehensive understanding of his work.

of men is congregated in one civic center, they are, in some instances, and should be in all, made to report at the office in the morning, just as the office employees. The gathering in this manner, at an early hour, as a morning identification with their real job in life and their co-workers, gives a much greater impetus for the day, and is more business-like than to start off in an aimless way, like a curbstone operator.

In this matter of system and efficiency, too few connect the words, or that which they imply, with results and accomplishment. Any system or efficiency method which an individual applies to himself, but which does not raise him to a higher level in elimination of lost motion and increased results, is the wrong method, or there is something out of joint with the individual. Frequently both the plan and the individual are wrong, and this is where the general agent or salesmanager comes in.

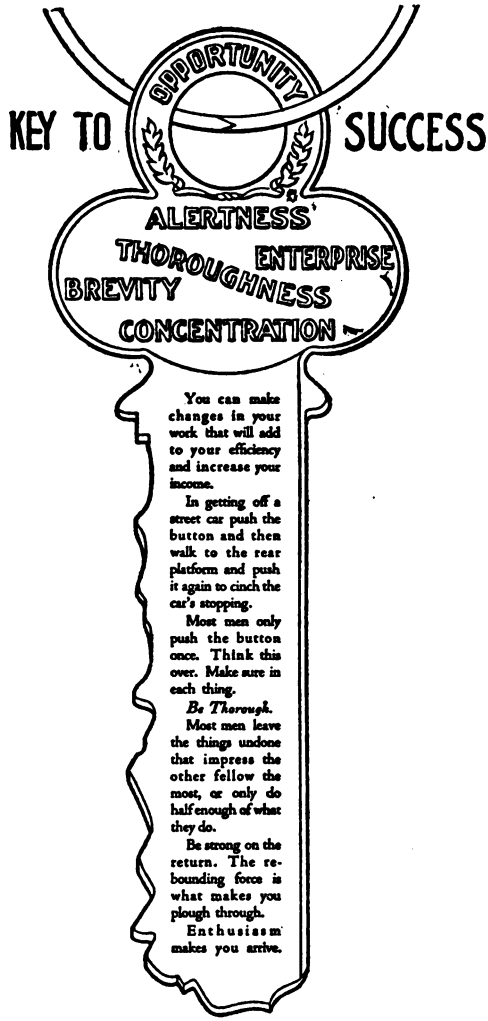
Notwithstanding the assertion made in the opening of this chapter, it is true that

many overdo the application of system. In such cases, system ceases to be efficiency. Efficiency, in the Life Insurance business, is systematic conduct of one's work in looking after detail, employment of time and application of energy. The injection of too much detail means waste of time and misapplied energy. Much can be drawn from the "Key" appearing on page 52.

The statement has been made, in a previous chapter, that Life Insurance is in a twilight zone between a profession and ordinary business. This is literally true, and because of this fact, the successful operation of the business calls for more than ordinary mind development or mental efficiency.

The most capable producers and managers are fairly agreed upon the absolute necessity of time-accountability, systematic plans of work, training for efficiency, and a much wider diffusion of rules and instructions in the realization of more directly applied energy and results.

However, in the last analysis, they recog-



You can make changes in your work that will add to your efficiency and increase your income.

In getting off a street car push the button and then walk to the rear platform and push it again to cinch the car's stopping.

Most men only push the button once. Think this over. Make sure in each thing.

Be Thorough.

Most men leave the things undone that impress the other fellow the most, or only do half enough of what they do.

Be strong on the return. The rebounding force is what makes you plough through.

Enthusiasm makes you arrive.

nize and acknowledge that what an agent carries in his mind each day, which impels him to action, in both the small and large things, is of vastly more importance than all the card systems and other memoranda human ingenuity can devise. The mind, that eternal structure for God's greatest handiwork, is the all-powerful instrument for greater system and efficiency in the business of Life Insurance. The agent needs to cultivate his mind, in and out of business, keeping always a close association of this development with the obtaining of increased results, or, what is better, more expert and adequate service to patrons.

It is not the purpose here to lay down any prescribed plan for success. Such details as "route work," "joint work," and class and individuals upon whom one should call, are matters to be worked out by the individual and his company or organization.

Agents, to become properly systematic and efficient, should have a self-inaugurated plan laid out to concentrate and not scatter

or dissipate their energy, and should ever work to a higher level, not only in the quality of service which they render, but in growing to increased production, remembering always that the way to grow to big things is not to neglect the small ones on the way.

CHAPTER V

The Standardized Representative

It is not sufficient that the agent be actuated by honorable motives, but, coupled with high purposes there must be sound reasoning, founded on a careful study of Life Insurance as applied to business and social economics.

Life Insurance, considered from a true perspective, is conservation of human life—the offset to man's earning power. Those who carry its message to the people are engaged in an important work.

The selling of a Life Insurance policy, under proper conditions, is not merely collecting a premium or obtaining a signature. These things are important incidents to the transaction, but they should be accompanied by a service predicated entirely on conditions that are best adapted to the signer and payer.

To have the sale of a Life Insurance policy

accompanied by such suggestions, recommendations and control as will conform to the principles laid down, requires a standardized representative.

A standardized representative is one who has embraced the Life Insurance business, specializing in that one vocation. He is one who serves an apprenticeship and builds, by study and hard work, to the point of knowledge and experience where he will be equipped to guide and serve each individual for the latter's best interests, considered singly and in relation to general principles of economics.

The Life Insurance agent meets with all classes of people. He must be acquainted with the foibles of people up and down the social and business scale. It is his proper function to guide and control people, individually and in groups. If sales are obtained by tricky, bull-dozing or begging methods, the transactions are not healthy ones, the agent is an undesirable representative or citizen, and his life is short. If people are im-

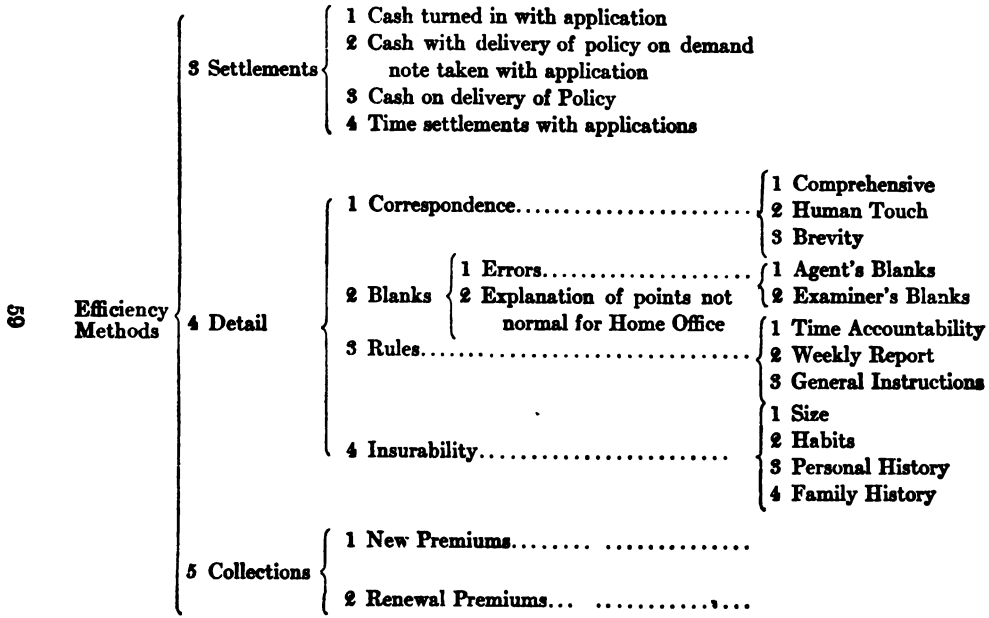
pelled to embrace the benefits of Life Insurance through a method of guidance—and they need to be guided, and should be impelled, or even compelled to act by a superior understanding and finesse—wholesome and cumulative results follow. Such transactions can only be the work of a standardized representative.

Existing laws for appointing, and the practice of companies and managers in selecting agents, have permitted an undue number of agents who are unfitted, in mental equipment and training, to engage in the business.

There are two important conclusions to be drawn from the foregoing statement. In the first place, laws should be enacted which lay down an educational standard for those who engage in so important a work as the business of Life Insurance, and, secondly, only the very highest standards should be applied and maintained in the selection and training of agents.

Incident to these things is the fact that

- Efficiency Methods
  - 1 Habits of Work
    - 1 Idealism
    - 2 Intelligence
      - 1 Understanding of business
      - 2 Selecting policy to suit age and condition of applicant
      - 3 Self-Culture
    - 3 Hopefulness
    - 4 Optimism
    - 5 Uniform Courtesy
      - 1 Clients
      - 2 Office Force
      - 3 Fellow Agents
    - 6 Number of Daily Interviews
    - 7 Concentration or effectiveness of work as to waste of time or energy
    - 8 Loyalty
      - 1 Company
      - 2 Organization
      - 3 Fellow Agents
    - 9 Attention to old policyholders
    - 10 Enthusiasm
  - 2 Results
    - 1 Proportion of Applications to Interviews
    - 2 Total Premiums
    - 3 Number of Applications
    - 4 Consecutive Results
    - 5 Term Insurance
      - 1 Percentage
      - 2 Non-Renewable
      - 3 Conversions


Efficiency Methods
3 Settlements
1 Cash turned in with application
2 Cash with delivery of policy on demand note taken with application
3 Cash on delivery of Policy
4 Time settlements with applications
4 Detail
1 Correspondence
1 Comprehensive
2 Human Touch
3 Brevity
2 Blanks
1 Errors
1 Agent's Blanks
2 Examiner's Blanks
2 Explanation of points not normal for Home Office
3 Rules
1 Time Accountability
2 Weekly Report
3 General Instructions
4 Insurability
1 Size
2 Habits
3 Personal History
4 Family History
5 Collections
1 New Premiums
2 Renewal Premiums

it is highly incumbent upon educational institutions—a duty they owe the public supporting them—that all such institutions make a wider diffusion of the principles and practices of Life Insurance an important part of their programs.

Furthermore, there is great need, and abundant opportunity for substituting the standardized representatives for the riff-raff already engaged in the work, and, while the insurance in force looms large, in black-and-white figures, the amount as sold is only a small percentage of the actual protection that could, and should, be carried by the people of the United States and Canada.

The evolution of the Life Insurance agent during the last generation, and especially the last decade, is both interesting and remarkable. Those who are acquainted with conditions thirty and forty years ago, and even some who know rural conditions today, are familiar with the country lawyer, with his "Three-ninety" office equipment, and the doctor, with his rusty instruments, not even fit for operating upon a pig.

STANDARDIZED REPRESENTATIVE

To-day, even in the most remote communities, there is found the keen country lawyer, in his neat, book-lined office, and this lawyer gets the best business in his community, and reaches out into surrounding territory.

His competitor, with the " Three-ninety " office equipment, and real estate, fire insurance, life insurance, job-lot aspect of his office, is city justice, and probably wears a celluloid collar.

In like manner, the physician of the new school living in a rural community has an up-to-date office, and is equipped to serve humanity with neither rusty instruments nor dusty mind. This physician, like the lawyer, is consulted in all important and critical cases in his immediate community, and each year draws a circle of greater circumference in extending his more modern practice and service.

The evolution of the Life Insurance agent is in the same direction. A wonderful advancement has been effected in recent years.

The reorganization and standardization is going forward with each succeeding year.

The Life Insurance agent of the right sort —a much abused individual—has a place, and a very important one, in the world's work. His services, given to the policy-holder by personal contact in the field, are almost as necessary as the business itself.

Religion, medicine, laws, education and banking, as great principles, have little force without the ministering angels and master-minds, representing these great callings, dotted over the world in close contact with the people.

Life Insurance is an absolute analogy in logic, and has been so proven in practice in most of the enlightened countries. Wherever the business has been attempted without the representative in the field, no results worth while to the people have been attained, and where the non-standardized representative, or the weak, unreliable agent has prevailed, only inadequate results and poor service have been the outcome.

In the two succeeding chapters it will be seen that there is ample opportunity for the standardized agent to advance to official and managerial positions. However, with the broadening of the protective features of Life Insurance, in touching the people from so many different angles, in the home or business, there is not much advancement, if any, over the place of the standardized representative in the field, in attainment of prestige, profit or service.

Finally, it should be borne in mind by the individual at the threshold of his life's work —whether college graduate or otherwise— that to become a standardized representative in Life Insurance there is not just the opportunity, nor the necessity, but the absolute demand that such individual broaden his mind, by reading standard literature, and otherwise liberally indulging in self-culture, in storing information in regard to industrial, economic and sociological conditions, together with a wide fund of knowledge about the Life Insurance business itself.

CHAPTER VI

General Agency or Organization Methods

At a meeting of agents in a large Eastern city not many years ago, a General Agent, whose Organization had adopted somewhat advanced methods, was asked: "Where did you get your ideas on Agency building?" He said, in replying, "Before I became General Agent I worked for two others, and whenever I am confronted by a knotty problem, I try to remember what they did, and then do exactly the opposite."

Dotted over the country, there are a goodly number of Agency Organizations that have incorporated system and efficiency methods into their business to such a degree as to make some of them almost models. However, all over the territory there is more than abundant opportunity for exercising practical ideas and imaginative genius, in Organ-

ization building, in methods of selection and training of agents, departmentizing, and the scientific arrangement of office floor plan.

This chapter of the book is difficult because of the different plans under which companies operate in the field. Some companies operate under the General Agency plan, putting a man in control of the field on a commission basis, with very broad discretionary powers so long as he conforms to right standards and the rules of the company. Others place salaried managers in control of states or districts, without any commission compensation whatever. Then some companies have a manager who is on a salaried basis and whose duties and restrictions are more akin to an exclusive salaried representative, but who is allowed a commission, under certain conditions, and a bonus for business written by his entire organization.

As a still further handicap in adequately covering the situation, there is a very wide line of difference between companies in the amount of territory given to a General

Agent, or salaried manager to supervise. Naturally, the same broad business policy which should dominate an organization controlling a large civic centre, or a large territory, would be like Lincoln's monkey—weighed down with too much tail—for an organization controlling only a small city or limited rural district.

It is the purpose to visualize what is practical in a good-sized organization, to show the business-building possibilities for an individual with ambition and a constructive mind. The natural presumption is that a man will not be given a managerial position until he has learned methods of system and efficiency and become a standardized representative, as outlined in the two preceding chapters. If a man is starting in the retail or wholesale trade, or undertaking a manufacturing proposition, he first gets a plant or building in which to operate. So the first thing necessary for a manager is an office; an office scientifically arranged, with a proper

floor plan for the best convenience of customers and the health and efficiency of employees.

The diagram of the floor plan of a real office, given on the accompanying insert, shows a very practical arrangement of three thousand and fifty square feet.

The arrangement and equipment of an office, in behalf of the public, agents, department heads and clerks, is very important. Both have been much neglected. It is not necessary to be extravagant to conform to an arrangement which is both practical and attractive. Neither must an office be very large, or as large as the one here illustrated, to avoid the appearance of a hodge-podge arrangement.

It is necessary, in Organization building, to have agents. That is the main purpose of a manager or General Agent's position. Selecting men, therefore, is the all-important thing, because they not only build the business, but are the ones who are nearest the public, to protect and give them service.

If the secret of selecting men were known, and could be copyrighted and sold, the possessor of the secret would have John D. Rockefeller and Copper King Clarke looking like door-step beggars. It is not knowing who to hire and who to fire, or when to hire and when to fire, that is the cause of great worriment, not only in the Life Insurance business, but in every other line.

If a General Agent has really earned his job, he is a very good judge of human nature, up to a certain point. He knows, by a liberal knowledge and use of psychology, and a limited knowledge and use of phrenology, how to size up men. As to their immediate thoughts and disposition, he is an adept, but he has not acquired occult power which will enable him to look forward to next week, next month, next year or the year after, and know, with any degree of certainty, what will then be the "mind slant" of an individual.

There is probably no test which can be applied with any degree of certainty, and the

only formula worth giving, if any be at all worth while, is the ordinary admonition that men should be selected to engage in the Life Insurance business by a limited phrenological test, in observing the shape of their head, ears, neck and contour of features. Men should never be employed unless they possess industrious, gentlemanly qualities, and indicate a strong leaning toward the business.

Agents, who give promise of conforming to the standards and suggestions contained in the five preceding chapters of this book, should be employed—that is, because they see an opportunity, are fit to begin, enter at the right time and in the right way, and give promise, by exercising constructive salesmanship, and by system and efficiency, of becoming standardized representatives.

It is absolutely necessary to inculcate in agents the idea of service, or the altruistic side of the business—that an individual cannot take more out of a thing than he puts into it, in honest, manly effort.

Agents should be thoroughly equipped to judge properly in giving each policyholder the right policy, best suited to the client's needs. It should be borne in mind that some agents work better in pairs, and that some should, or should not do " route " work (that is, work by prescribed rule in canvassing a district, or building).

All agents should be held to a reporting system, after some such fashion as illustrated by the blank in Chapter IV, page 49. All should be held to strict accountability in the matter of time. This does not mean that the freedom which the business gives should be taken away. It means that there should be such time of arriving at the office in the morning, and accountability during the day, as is necessary to attain success and give the impression to associates and clients of business-like standards.

Agents must be taught their responsibility in regard to both clients and company in the collection of premiums; that their obligation is just as great to the policyholders and

companies in future premiums as in the first one.

Their fiduciary responsibility is great, and in all cases moneys received from policyholders should be kept entirely separate from personal funds. Above all things, they should be taught the iniquity of rebating; that they can only conform to moral standards and legal enactment by an absolute adherence to the practice of collecting full premiums, to the last cent, in every single transaction.

Rebating has the same effect upon the efficiency of the agent as an immoderate use of liquor. He may be inspired momentarily by success, thus disreputably attained, but he suffers reaction in proportion. He soon is incapable of attempting a difficult transaction without the use of this false stimulant, and finally is incapable of doing anything creditable to his calling. No matter what a man's views may be as to the use of liquor, if he is honest with himself, he knows that the last thing he should attempt is an important

transaction when using it in any form. Also, that a hard, effective day's work can never be performed after a night of the bowl. So, whatever the rebater's moral obliquity, or his disregard of law or the interests of his client, he is simply digging his own grave. It is impossible for anyone to rebate in Life Insurance and not hang himself in the long run.

The rebater is not a person to be feared in competition any more than a burglar is to be feared at noonday. He moves stealthily and in the dark, and has no chance with a man who works in the open. His days are numbered, just as are the days of every dishonest man.

Reflect upon the scope of the dishonesty of a rebater. The poor drunkard, who saps his vitality by drink, in a sense only injures himself. The rebater in Life Insurance injures himself, his competitors, trails the business of Life Insurance in the mire, debauches his client, making him a lawbreaker, and jeopardizes the validity of the insurance he sells.

The taker of a rebate is equally culpable with the giver, under the moral law, and is so regarded in most states by statute. It is only in a very exceptional case that an agent cannot show a client his moral and legal responsibilities in seeking, or accepting a rebate, because the vast majority of men want to do the right thing from the standpoint of law and moral standards, and they are all afraid of anything that clouds the title of their insurance.

The departmentizing of a field organization has great possibilities in adding to the growth and development of the whole, and each individual agent, by in some measure following the diagram shown in frontispiece. The executive needs a corps of assistants who are capable and alert, through whom, or with whom, he directs and serves the various department heads and those in the agency proper. They all create business, with results to the public and themselves, as shown by diagram.

The suggestion in regard to departments

is, of course, too comprehensive for small organizations, but is a goal toward which all should work. An organization should be so departmentized that no class of people, from the common laborer to the skilled artisan, or the humblest clerk to the general manager, or leading professional men, will be neglected.

Department heads should, of course, be selected because of their familiarity, by experience in real life or in insurance work, with the class of people toward whom their activities are to be directed. Departmentizing is comparatively new in agency-building, but, in service to the public and in training of agents, is successful wherever tried, and is sure to be incorporated more and more with each advancing year.

CHAPTER VII

Some Side-lights on the Life Insurance Business

In the United States, where Life Insurance has attained its greatest growth and usefulness, the business is comparatively new. The first regular company was incorporated in 1835, but no real business was transacted by any company until 1843. While most of the older and larger companies now doing business in the country were organized in the next twenty years, the real growth has been in the last half-century.

The slow growth at the start was due to lack of public trust and understanding, and unscientific methods in field work, together with conditions in, and following the panics of, 1870 and 1893.

There was, as well, internal, company weaknesses—not in any sense due to the lack of stability of Legal Reserve Life Insurance

—most of which are now eradicated, and the nature and causes of which it is not the purpose or province of this book to discuss.

During the last generation, especially the latter half thereof, Life Insurance has taken its true place in the sun of business affairs.

In several instances, Life Insurance has been referred to as the conservation of human life. In this regard, it has not been properly presented to the public until more recent years.

The conservation of human life is a conservation problem of great magnitude, and Life Insurance is the most important angle of life conservation. It should be borne in mind that an individual is, in reality, only a human machine, and a frail one at that, and as such has a definite, but perishable value which must be insured against loss by death or wearing out in old age.

A better visualization in the minds of the public and its representatives, is not alone responsible for the greater growth and development in the United States. This is

proven by the fact that in Canada, where, on a smaller scale, business, in geographic extent and in other ways, is conducted more as it is in this country, one finds Life Insurance developing proportionately as on this side of the border.

The United States is made up very largely of a free-thinking, individualistic class. Both here and in Canada, the greatly extended territorial conditions and enormous resources, with the resultant development and multiplication of fortunes and business enterprises, and necessary credits and hazards, naturally demand more Life Insurance than in older and more compact countries. The virility of the two classes of people carrying forward any worthy enterprise is no small factor, but the reasons are fundamental and not superficial.

It will be interesting, therefore, to note if there is not an increase in the sale of Life Insurance following the present war, in rehabilitating and business-building in those countries engaged in the conflict.

LIFE INSURANCE

The building of a Life Insurance company, or the great fabric of Life Insurance, as exemplified in many standard companies, is an interesting study. With a large army of agents gathering clients and premiums from every city, hamlet and countryside, there are created small rivulets, streams and rivers of liquid capital, flowing into a mighty ocean of never-evaporating funds, which are re-distributed whenever and wherever most needed.

Even in times of extreme panic, when other financial institutions have been compelled to lie down, Life Insurance assets have remained liquidable. Some of the small rivulets ceased to exist, because of the financial drought, but the big streams and rivers never ceased to flow.

The writing of what is commonly called "Business Life Insurance" has reached the stage of an established practice in the last decade. This means the insuring of the active one, or ones, in a business—those who exercise the driving power and give a busi-

ness its vital forces—the policies being payable to the concern, which pays the premiums.

A policy of this nature, which matures by the death of the insured, or on his attaining a certain age, is a valuable asset in business because the money paid into the business, in either case, represents a transfer of investment capital to commercial funds—a healthy transaction for a business. Moreover, the money may come in time of financial stress when most needed.

Business men, large and small, all over the United States, are being attracted to the advantages of this modern practice, which is sound from every standpoint. It is a subject which can only be adequately treated in an entire book.

Life Insurance, in addition to the modern practice just outlined, is constantly meeting the needs of the public in giving more elastic benefits in the way of income or instalment policies, to cover the requirements of both beneficiaries and insured.

Beyond this, insurance people are rapidly

awakening to the fact that Life Insurance is the most practical means whereby employers can create a welfare fund, or indulge in bonus or profit-sharing practices with their employees and their families, from the day laborer to the high-salaried business manager. It is a boon alike to the employer, in solving an important problem, and to the wage earner, in affording a better life for his family, in the event of his death, or for himself in old age.

There is only the attempt, in this chapter, to give a few salient points in regard to a business which could only be adequately covered in a work as large as the Encyclopædia Britannica. Agents over the United States, in recent years, have adopted the slogan, emblazoned on a button carried quite generally in the lapel of the coat, "The Greatest Thing in the World." Undoubtedly, in its amelioration of mankind, in the gathering of funds, as herein outlined, and in the method of re-distribution of such funds, Life Insurance is the greatest business institution known to mankind.

It seems quite unusual, even though there has been some blindness on the part of Life Insurance representatives themselves, at the home office and in the field, that there should still be so much public ignorance and antagonism toward Life Insurance.

With the absence of Federal control, which should be the prevailing system in the regulation and organization of companies, the multiplicity of state laws results in great handicaps and annoyances to companies and much additional expense to policyholders. In no other single business is there so great and legitimate community of interest of seller, buyer and state.

Much has been accomplished by insurance interests coming together in a clean, wholesome combination for educating the public, and in the correction and solving of problems common to all. There is still a much greater work to be done along this line. The people, on the other hand, only make it the harder for the insurance interests, and the more expensive for themselves, by remain-

ing in an attitude of antagonism, or passive co-operation, in permitting excessive taxation laws and other unreasonable statutes, not conforming to standard provisions, to be enacted or remain upon the statute books.

The people, more than the companies or agents, are interested in the elimination of unnecessary taxation laws. They should co-operate in securing sane laws to prevent the organization of spurious companies, so many of which are allowed, through lax laws and easy-going supervision, to prey upon the public.

The people are vitally interested in having each state pass an agency qualification law, requiring an examination on the fundamentals of Life Insurance before licensing agents.

Life Insurance is protection for beneficiaries and the old age of the insured. Policies should not be sold or mortgaged. The people should recognize that their interests suffer by not keeping policies in force, and should co-operate with agents to reduce the large

ratio of lapses. Reducing the number of policies that are sold for cash, or mortgaged, means more protection and cheaper insurance for the policyholders.

Life Insurance is most important to all classes of people because it permits them, under a safe and practical plan of co-operation, through money earned from the sweat of their own brows, to indemnify themselves against the known and unknown hazards incident to death and old age, thus allowing them to be independent of any charitable or paternalistic institution.

Mention has been made of the fact that Life Insurance is an under-done, rather than over-done, business, as some are prone to think. There are ample statistics and figures to prove the assertion that the business is only in its infancy, and that the amount of protection actually carried by the people is totally inadequate, but the decision of the author to abstain from the use of figures and dry statistics will not be broken down here.

However, some very easily understood

comparisons will serve the reader's purpose. The total amount of sound Life Insurance carried in the United States does not reach a grand total of twice the value of the agricultural output of the year 1916. If all policies in force fell due at this date, January, 1917, the total amount paid to policyholders would not pay the wages of all classes for the year 1917.

The total assets of all companies, at the close of 1916, are about equal to the value of the animal production of the country during 1916. The total assets, at the close of 1916, are less than the value of manufactured products of the year, after deducting the cost of production. The amount paid to policyholders for the same year is not far in advance of the value of the potato crop, and the hay crop for 1916 will have a total worth of nearly twice the amount paid to policyholders.

When it is reflected that a wage earner should carry an amount of Life Insurance representing, to a fair degree, his present

worth, the pronouncement here made, as to the inadequacy of protection carried, is easily shown to be in accordance with fact, notwithstanding that a consultation of the records will show figures difficult for the ordinary mind to grasp.

However, the United States is a wealthy nation, grown to the billion dollar figures, with incomes considered now as meagre which a generation, or indeed a decade, ago were thought ample or even fabulous.

At any rate, the amount of sound Life Insurance carried is only a small percentage of what the whole should be, and is inadequate, considering the property value of the insurable lives.

CHAPTER VIII

Does it Pay to Advertise?

It is the purpose of this book to deal with the development of a Life Insurance agent in his individual capacity.

In discussing the subject of advertising, what constitutes advertising and the evolution of advertising for the individual should be the lines followed.

The first step in advertising, for a Life Insurance agent, is the establishment of a well-ordered plan of publicity through his own personality, in gaining the favor of those with whom he comes in contact.

Word of mouth and shoe leather are conveyances for the beginner. This does not mean walking about in an aimless way and acquiring the reputation of being loquacious. It has been pointed out, in a previous chapter, that an agent should know when to talk and when not to talk.

However, the new recruit must indulge in a liberal amount of shoe leather, and interview a large number of people in such manner as will draw those interviewed to him, and compel them to be interested in him, and the thing he is doing.

It is hard to decide where to start and where to stop in the matter of personal advertising or publicity through the personal equation, in connection with attending social functions and joining clubs and societies.

It is a matter of common knowledge that many agents depress their worth by overdoing both the social and club side. It is a safe rule to follow that where one would not otherwise be welcome, it is folly to seek admittance for business motives.

It is almost equally hazardous, among natural associations and affiliations, to push one's business, in any calling, and made the more risky in the Life Insurance business because of the actual prejudice or aloofness towards its representatives.

Therefore, the Life Insurance agent has

a natural handicap which can only be overcome by a superior, or more subtle, method of approach.

The law of compensation, however, which is undoubtedly very just in all things, works in all lives to the advantage of the individual who recognizes this condition, and properly deports himself when engaged in actual work, or in meeting with people socially.

The things that a man does when at business, during business hours, are far more important in business-building than those he may do, or attempt to do, outside of business. It is the intention to convey the idea that an agent, by active, earnest endeavor, should put himself in the very best relation with those with whom he comes in contact, at all times, but more especially in a business way, during the business day.

Any advantage to accrue from the social side should, and must, of necessity, be something acquired as a result of a slow growth and development, by never intruding beyond natural limitations and because of a gradual

realization, on the part of those with whom he comes in contact, that he has the good sense and breeding to leave his business for discussion at opportune times and fitting places.

Acquaintanceship through social contact is not valuable unless allowed to take ample time for measuring one's worth and ability.

Furthermore, as an individual advances in his life's work, there comes a realization that it is far more satisfactory to be entirely independent socially, and to seek only those associations that are congenial, thus avoiding the expense and weariness of exacting social duties.

However, the important thing is that the agent, in his initial work, must, through the personal equation, accomplish the first step in advertising by getting in the right relation with his immediate public. When this situation has been established, and a consecutive, paying business realized, the use of printers' ink should be started.

It is not necessary to enlarge upon the

value of the rightful use of printers' ink in advertising. The judicious, scientific use of printers' ink is the best known means of business-building, and as such is used by individuals, corporations, and even nations, practically everywhere on the civilized globe.

The business of advertising has become a wonderful institution in the United States, and has become, through its representatives, a potent factor in the growth and economy of marketing various commodities.

In addition to the foregoing, it has played an important part in standardization and a resultant elimination of fraud and deceit in business.

A partial step has been made, with very satisfactory results, by agents combining in a non-partisan or institutional advertising campaign, to educate the public on the principles and practices of Life Insurance.

Wherever this has been introduced, the agents have found that they were working in a better prepared field, in their individual solicitation and in their own publicity campaigns.

Undoubtedly the time will come when all standard companies and agents will combine, under some master-institutional campaign in the use of printers' ink, because such action is sure to create a more intelligent public opinion and eliminate waste problems common to all companies. It will bring about a more desirable community of interest between those three important factors to all world problems—the State, the Public and the Institution.

Predicated upon experience, the absolute assertion can be made that it does pay for the agent to advertise—through the personal equation; then as an individual agent, by the use of printers' ink; or as a manager, in a broader way; and, finally, under some collective or co-operative plan with competing companies or agents—but, it must be remembered, in any campaign of advertising, one must learn to walk before trying to run, and it is necessary to have ammunition and range before firing a gun of large calibre.

CHAPTER IX

The Woman in Life Insurance

It is useless to theorize and sentimentalize in raising objections to women in business, and in their taking a place wherever in the world's work their desires or necessities may lead them. This does not mean that it should not tear men's heartstrings and give them a feeling of shame to see, in the early hours of morning and the late ones of night, women and girls, careworn and haggard, jostling with men for place or seats—all too frequently standing room—in a street car going to and from the hardships of active business life.

Two classes of men are responsible for women now bearing the relation to business and public affairs expressed in the opening sentences of this chapter. The selfish ones who never look after anyone but themselves, and who literally drive women to work be-

cause of their brutal habits or disposition; and the ones who, from complacency or incapacity, fail to supply adequate support and protection. Usually, wherever unkind statements are heard about " skirts " in business, they will be found to emanate from one of these classes of men.

Hard and irreconcilable as it is to contemplate a woman's canvassing, she nevertheless has a place in the field, and women agents are increasing at present with a considerable degree of rapidity. Comparatively few canvass men, but some do almost entirely, and with creditable success.

Without comment as to the present, or predictions for the future, it is sufficient to leave this phase of the question to the capabilities and inclinations of the individual woman who engages in the work.

Women have a real place as Life Insurance agents in writing policies for their own sex. The insuring of women of all classes and conditions is a very necessary part of the Life Insurance business, and is made

more practical by the work of women agents.

It is superfluous to enumerate the classes of women that should insure, because it is just as necessary and practical for all those who are engaged in gainful occupations, financial women or wage earners from the highest to the lowest, to insure as it is for men of every class. It is not so much of an axiom that housewives should insure, without more careful analysis.

Among the great rank and file, it is criminal for men not to be adequately insured, and almost as bad for the women not to carry Life Insurance protection also. Even rich married women should take insurance as a means of better directing the future care of their loved ones, or the disposition of their estates.

The wife is a partner in every household, with responsibilities resting upon her shoulders just as great, and often greater than those carried by the husband. The loss, by death, of her property value and tender supervision, has meant disruption and result-

ant pauperism and suffering in countless homes. In all such cases, had Life Insurance protection been carried, the evils resulting from the death of the home keeper would have been greatly minimized.

There are several women's departments of large agencies, and a few agencies employing only women agents, and writing women risks exclusively, that are making marked successes. There is ample proof and experience to back the evidence that the insuring of women by women is a business of large proportions considered in its national aspect.

No special rules are applicable to this large branch of the business of Life Insurance. The same rules of conduct, methods and efficiency measures apply as in the case of the regular agents. It is a great work, to be conducted in the ordinary practical ways. It offers splendid opportunity as a means of livelihood for women who will undertake the work along lines suggested in the chapters of this book, with the aid of other material and training, of which there is an abundance

for all purposes. A woman, just as a man, should weigh all the pros and cons before going into the work, and then go in to stay.

It is probably true that women are naturally, because of their domestic leanings, more gifted than men in the matter of detail. For this reason, the opportunity is great for women in office work in the Life Insurance business. It is a business of infinite detail. In conducting the affairs of agencies, much opportunity is afforded to increase business and enhance service to policyholders by more prompt, thorough and courteous handling of detail.

The work of women, in the capacities of assistants, secretaries, clerks, stenographers and cashiers in offices, is playing an important part in improved conditions. This does not mean that a man should not be efficient in detail or feel an aloofness toward it, and many lose the chance for bigger things because they are not good soldiers in the smaller ones. Everyone in the office should be alert for new business, and in taking best care of the old.

It is not the intention to picture women as mere machines in office work or business management. Some of the most conspicuous successes in business life are made not alone with the help, advice and co-operation of a good woman in the home, but with the aid and co-operation of a woman who is an associate in business. Many such exercise executive ability and intuitive judgment of the very highest order, and make for themselves places of great value. This is true in every line of business, and especially so in Life Insurance.

Woman's intuitive knowledge or judgment is undoubtedly better than man's. It is particularly valuable for a woman, if she can go into business life and assume responsibilities and still retain her womanly qualities and graciousness of manner. The more she is able to do this, the higher she will rise in her executive or secretarial capacities.

Genteel consideration for others in business is a much neglected fundamental; one of the great moral fibres to be injected into

business is more of the niceties of life. Too many men and women, especially the former, have one set of ethics for the drawing-room and ball-room and another for business life. This country needs to speed up on good manners, not just because there are so many women engaged in active affairs, which is a sufficient reason of itself, but because it is good business.

As pointed out in the opening of this chapter, the advent of woman in business is a reality. She should, and does, have a place for her activities in Life Insurance, covering a wide range of duties and accomplishments, and those who are disposed to labor seriously and efficiently should be, and are, welcome in the work.

CHAPTER X

Recapitulation

In summing up the chapters of this book, the sequential order in which the material has been given will not be followed. In fact, so far as the first six chapters are concerned, the order will be exactly reversed.

In the arrangement of chapters, the idea was to build from opportunity to company, or from the outside to the inside, whereas, in the recapitulation, the company is taken as the fountain-head, which is in accord with the facts, building out to the opportunity.

The unsophisticated reader should not be misled by any criticism which has been made, and his rightful, wholesome respect for the scientific accuracy of Legal Reserve Life Insurance, and its fundamental stability, should not be weakened.

Neither should any suggestions as to what might have been in building work, or reforms that can be inaugurated in the future, be

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construed as carping criticism or antagonistic reflections upon home office management.

The purpose of this book is constructive, not destructive, and any criticism and all assertions, pro and con, which have been, or will be, made are dominated by an abiding conviction that only good can accrue in telling the truth, where so much praise is due, and where faults, so superficial in kind, can be easily eradicated if held up to the searchlight of public opinion.

The facts are that the chief exponents of the Legal Reserve system of Life Insurance in the United States and Canada present a record for accomplishment, at the home office and in the field, which compares very favorably with, if not excels, that of any set of corporations in the history of organized business-building.

The proportion of broad minded, big minded, high minded individuals dominating home office policies, constitutes both a tribute to the institution of Life Insurance and the manhood of the two peoples.

RECAPITULATION

Even to the uninitiated reader, it must be palpable that Life Insurance is a great equalizing force, and in principles and practices thoroughly ingrained in the body-politic of this country.

It is well said that Life Insurance is organized thrift. Characterizing the business in this manner is not putting it in opposition to other saving or fiduciary institutions. The purposes of Life Insurance and every other fiscal institution, from the Federal Reserve Bank to the smallest cross-roads bank, are identical. The more of all such concerns that serve the people with intelligence and integrity, the better for the people and the country.

Life Insurance, in its dual capacity of protection and organized thrift, embraces functions of service enjoyed by no other institution.

Then, it should be borne in mind that an individual business, or principle, can have all kinds of merit, and still exert very moderate influence, or none at all, without organization, co-ordination and push behind it.

LIFE INSURANCE

Life Insurance companies are permitted to indulge in an educative campaign, collectively and separately, through the medium of advertising, and field organizations and individual agents can do the same thing down to that best and most scientific of all publicity, the individual equation, by personal contact of the single agent in his daily work.

So we find field organizations endeavoring to select standardized representatives who will work with system and efficiency—men who are, or should be, exercising an advanced method of salesmanship, and who have not just "happened" in the business, but who carefully selected it as their vocation, at the right time, in a rational manner, because they saw the opportunity for service, growth and development.

The more prominent organizations, in order to carry the message of Life Insurance to every class of people, have reduced their operations to a statistical basis, checking each year's production, and showing the number written in each classification here published:

RECAPITULATION

CLASSIFICATION OF OCCUPATIONS

Women { Housewives / Teachers / Salaried / Business }

Clergymen { Protestant / Catholic }

Theatrical { Players / Investors }

Educators	Public Officials
Physicians	Brokers and Bondsmen
Lawyers	Bankers
Insurance	Real Estate
Dentists	Contractors
Osteopaths	Implements
Railroads	Automobile
Grain	Engineers
Flour	Miners
Lumber	Artisans
Farmers	Telegraph
Wholesale	Telephone
Retail	Minors
Capitalists	Common Laborers
Manufacturers	Miscellaneous

Systematic checking each year of the work of an agent and entire organization with re-

sultant thoroughness in carrying the message of life insurance to every class in a scientific, intensive manner, means better training of agents and enhanced service to the Public. It is organized thrift with a vengeance.

Life Insurance, Printers' Ink and Transportation are the great Public business conveyances to comfort, enlightenment and progress. Toward all three of these, especially Life Insurance and Railroads, there exist Public ignorance and antagonism to an unreasonable degree.

Publicity, Education and Corrective measures on the part of Life Insurance, with open minded interest on the part of the Public, will have a wholesome effect on existing conditions. Insurance interests are moving up grade in broader, saner, more efficient and economical conduct of the business. It is up to the people, especially the younger generation, to do their part in a thorough, open-minded consideration of a subject of such vast importance in its general aspect and as a vocation. Only intellectual con-

tempt should be accorded one who in a serious mood speaks lightly of sound Life Insurance.

Finally, the attempt has been made to give a human interest flash-light of Life Insurance as a principle; to dress Company officials, and especially agents, in a more attractive garb, and at the same time show real development possible for the agent and what that means to the Public. That there is great opportunity for business-building and advancement for the ones who will respond to the things of conscience and efficiency training.

The author cannot refrain, after the laborious but pleasant hours spent in writing this vocational treatise, from indulging in a parting word to those worthy readers who have persevered to the end.

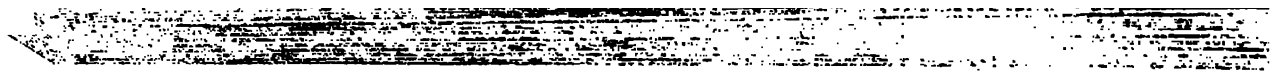
The nature of a person's vocation is not the all-important thing; it is what one makes of his Life Job that counts, and that means what they put into it and take out of it.

The efficient life is too commonly regarded

as necessary work, and mere money getting instead of a pleasurable pastime in rising to a higher level. The person who does anything, no matter how humble or exalted the job, is a poor equation in the World's work unless he sees in daily toil something beyond the immediate crust or bag of gold.

Success is not just eating three meals a day, paying one's debts, joining a Church, or amassing a fortune. It is so doing and living in beautifying the immediate task, and in touching other souls and lives with sunshine and inspired endeavor, as will make them enlist in a mighty army of sincere, earnest, capable workers for that better day when greed, squalor and cruel aggrandizement shall have forever perished from the earth.

PART II
THE LIFE INSURANCE AGENT AND THE LAYMAN



CHAPTER XI

The Agent and the Layman

At the time when these words are being written there is transpiring the most cruel, destructive war in the history of the world. It requires considerable optimism and prophetic vision to look forward to a reasonable fruition of a sane, peaceful, interdependent relation between nations and peoples. However, there would be little in life to make it worth living were we to believe that man, the highest tangible exemplification of the Creator's handiwork, was not moving to a higher level in things of the heart.

There is a powerful undercurrent of sentiment and belief, not just by impractical idealists, but in the minds of stalwarts, among the laymen and those high in public life, that there is an interdependent relation to be carried to a higher plane between individuals, businesses and individuals, world

movements and the nations themselves. It is the purpose here to emphasize to the layman and agent, as well, the importance of the business and the responsibilities resting upon the shoulders of the laymen, that every individual has a far-reaching responsibility that is both selfish and unselfish.

Until recent years, as pointed out in Part I, Life Insurance was commonly considered as something apart from the ordinary business, having to do only with death and the protection of the home. It has now taken on a much wider significance and brought down to earth among the ordinary affairs of life in the practice of Business Life Insurance, Welfare or Profit Sharing Insurance, and in the shape of various forms of Income Policies.

To give the layman a better " mind slant " of the practical, everyday nature of Life Insurance, a short review of these three modern interpretations will be given.

CHAPTER XII

Business Life Insurance

The greatest by-product of all is human efficiency—the potentiality of individuals engendered beyond the usual or created where there has been little or no earning power. Without education for efficiency, there is created an undue number of ne'er-do-wells, paupers, mendicants, over-abundance of criminals and a mass of individuals whose minimum instead of maximum accomplishment is attained.

These things are mentioned because efficiency begets confidence, confidence inspires credit and credit means business. They all develop the individual equation—the potentiality of man power, the greatest of all values.

It is the importance of this earning power of the individual that makes Business Life Insurance possible and practical.

The increasing sentiment in favor of this

form of Life Insurance is due to the logical reasons which impel a business or enterprise to avail itself of this modern form of indemnity. It is perfectly sane and rational to assert that the leading men in control of any company, those who exercise the driving power and give a business its vital forces, are the most valuable asset of the concern. Individuals create property and enhance its value. No one disputes the advisability of fire insurance for property. Therefore, Life Insurance on the individual payable to a company is more necessary than fire insurance for property. Fire may never occur, death must occur.

A careful study of the subject of Corporation or Business Life Insurance leads to the conviction that the practice is founded on broad, rational business lines.

First: Because it is logical to place a definite property value upon a certain individual or collection of individuals in relation to an enterprise.

Second: Because the loss of their prop-

erty value by death may occur at the most inopportune time in regard to financial conditions, or in relation to the possibility of securing a good substitute.

Third: Death may occur while some extension of operations is under way where the one carrying them out is almost wholly responsible for their successful termination.

Fourth: It is frequently considered advisable to acquire the interest of a deceased member of a corporation or enterprise.

Fifth: In many cases men, themselves, desire that their estates discontinue a financial interest in their business after death.

Sixth: Because of the sinking fund feature in an Endowment contract in the availability of its Cash or Loan Values in the event of financial stress in general or in relation to strained financial conditions of a single concern in particular.

Seventh: In the case of a Bond issue, an Endowment policy can be purchased to take care of the bonds at a certain period, or to provide funds for their retirement in the

event of death of the leading head before maturity of the bonds.

Eighth: The advantage as a credit proposition. Every one knows that credit, if an enterprise is a going one, is founded very largely upon personality. Banks and individuals granting credit give the very strongest endorsement of this form of Life Insurance. Bankers and money lenders want to know that there is something coming into a business to offset the loss by death of its leading head or heads. Many firms have been forced into liquidation because of the calling in of their commercial paper on account of the lack of this very thing.

Ninth: Because property belongs to man and not man to property.

Tenth: Because it conserves the property value of the individual to the business, whether he retires by death or because of age limit.

Eleventh: Because of the effect on the habits of men carrying large policies. A man will, as a logical sequence, take better

care of his health and habits after taking out a very large policy.

Twelfth: Because of the fact that the finances of our country are divided into investment and commercial funds. When a death occurs calling for the payment of a large Business policy, there is a permanent transfer of investment funds to commercial funds, which is always a healthy transaction for the life of trade.

In addition to all the foregoing, it is well to have in mind that a general application of Business Insurance is, in reality and effect, the same to a large extent as the purchase of what is commonly considered personal insurance. The time is past when any good citizen has a desire to die leaving his family in comfortable circumstances through the medium of Life Insurance and his creditors in the lurch because of his untimely death. Life Insurance, payable to a business, protects the creditor and, in effect, results as a protection to the family because of the perpetuation or proper sale of the business.

LIFE INSURANCE

There is too much of a disposition to float with the current in the business of Life Insurance. It is well to guide and control public opinion when this guidance is dictated by conscientious understanding. The practice of Business Life Insurance has been more among the larger concerns. That large business enterprises are the only logical patrons is a grievous error.

If Business Insurance is advisable and necessary for the large, financially strong concerns, it must of necessity be far more important to the smaller and weaker concerns whose management and prosperity are more dependent upon one or two individuals.

CHAPTER XIII

Welfare Insurance

The greatest factor in business life is the importance of all working for a wage keeping fit mentally and physically and connecting each working minute with the main purpose of their life.

Crime, Mental Defectiveness, Drug and Liquor Victims, Physical Unfortunates, Industrial Incompetents, Social Parasites, all are Welfare problems, because every one of them is the result of poverty, or causes poverty.

Astounding and incredible as it sounds, these things are a tax on this nation to the enormous total of over a billion of dollars annually.

The present worth of a billion dollars a year for ten years, at 4 per cent., is $8,556,400,000.

This overwhelming figure, the present

worth of what we will spend (under present conditions) in the next decade, is largely wasted. This huge sum, for charities, public and private, equals almost one entire year's agricultural wealth productivity of the country.

It would be interesting to cite, from the meager national statistics, the number of men, women and children in penal institutions, almshouses, asylums, hospitals, training schools and other institutions of kindred nature—the number of old men and women, widows and orphans working for wages, enduring the hardships of the world's activities, instead of enjoying comfortable homes.

It is sufficient, however, to draw attention to the fact that the number of all these is so disgracefully and alarmingly large as to constitute a severe indictment of the citizenry of this nation.

This condition is due to incompetency, inefficiency, and lack of far-sighted co-operation and unselfish, humanitarian dealing upon the part of both capital and labor,

employer and employee; the only difference being that the man upon the hilltop, with more worldly goods, and supposedly of greater brain power, should—*per se*—be expected to be the aggressor along constructive, humanitarian lines.

Experience and observation show conclusively that a horse, or even an inanimate machine such as a motor car or farm machinery, must be in good condition in order to work well. If the dumb beast and the inanimate machine must be fit in order to work well, what of the human mind and mechanism?

In other words, the " mental slant " is the thing that is wrong, and it is the thing which must be corrected if any reasonable fruition of welfare problems is to be realized.

Mr. James Couzens said in a recent article in the *World's Work,* " It is not charity that is needed to make self-supporting and self-respecting citizens: It is work, and a living wage."

There is no attempt to preach the doctrine of supreme accomplishment in the elimina-

tion of welfare problems, but there is the contention that, outside of the really mentally and physically defective, there is an alarming condition, and a widespread need for efficient, constructive effort and humanitarian policies.

Gerald Stanley Lee, in *Crowds,* voices these sentiments:

" What really counts, and what finally decides what men and women shall be, what really gets their attention, unfathomably, unconsciously, is the way they earn their money. The feeling men come to have about a fact, of its being what it is, helplessly, whether or no—the feeling that they come to have about something, of its being immemorially and innumerably the same everywhere and forever, comes from what they are thinking and the way they think while they are earning their money. It is out of the subconscious and the monotonous that all our little heavens and hells are made. It is our daily work that becomes to us the real floor and roof of living, hugs up under us like

the ground, fits itself down over us, and is our earth and sky. The man with whom we earn our money, the man who employs us, his thinking or not thinking, his 'I will' and 'I will not,' are the iron boundaries of the world to us. He is the skylight and the manhole of life."

Also,

"One sees these men everywhere one goes, in thousands of factories, doing their work without any draught—we already have tall chimneys for our coal furnaces; we have next to see the value of tall chimneys, great flues to the sky, on the lives and thought and inner energies of men.

"The most obvious way to get a draught on a man—to get him to glow up and work—is to cut through an opening in the top of his life.

"Just where to cut this opening, and just how to cut it in each man's life—each man considered as a problem by himself—is the labor problem."

This is also a welfare problem of great magnitude.

Mr. Lee says further:

"If a man is a sane and sound man and works hard, he must feel that everything he does, every minute, is definitely connected with the main through train purpose of his life."

Ah! there's the rub!

The people over this broad land are more interested in opportunity for industrial freedom and the exercise of equal business rights and in earned reward through bonus, or profit-sharing system and old age incomes from the sources for which they have labored, than they are in any paternalistic plan on the part of the state or through the medium of swollen fortunes. The people of the country, as a whole, are anxious, in fact, their pride demands, that there be a direct connection between the sweat of their own brows and their support, including old age, when active employment must cease.

The population is made up of individual-

istic, free, thinking people, and paternalism, when once understood in its full import, is contrary to the thought and traditions of the nation.

In thinking of social insurance, or paternalism of any form, in Life Insurance there is immediately visualized the idea of a triangle; the employee at one angle, the employer at another and the government at the third.

With a law-enforced, subsidized insurance, the employee's efficiency goes—not the direct route along one side of the triangle to his employer—but around the two other sides through the government. Efficiency is represented by the idea that a straight line is the shortest distance between two points.

Welfare Life (live) Insurance, bought for the family and old age of the insured, is connecting up with the employee or associate along one side of the triangle—the short route and the efficient way.

Aristotle, when asked what he gained from philosophy, replied, " To do, without being

commanded, what others do from fear of laws."

It is very fitting to draw attention to employers of labor, and all those who work for a wage, that the protective and profit-sharing features of Life Insurance purchased for employees is not only a better, more practical method than any law-enforced plan, but is philosophically and psychologically sound in doing something for employees in advance of a law-enforced method, which is sure to come, at least under present conditions.

To-day, we are assuming that there is too much crime, too much tuberculosis, too many people incapacitated by other diseases, too many mental incompetents. That there are too many old men and women—too many children, too many widows, enduring the hardships of earning a bare living, and that these things are largely due to poverty.

Nothing is so depressing as to visit a home for the aged or to pass by an orphan asylum. A gentleman walking along a driveway in the outskirts of a large city met six little

children, from five to ten years of age, and in buying the flowers they had been gathering, engaged them in conversation. He asked them if they were all members of one family. A sad expression clouded the face of the eldest child, a little girl, and she said, " No, we are from the Home up here," —pointing to a large house nearby—an orphan home. This is something which should get under the vests of the officers, directors and superintendents of the business institutions of the country. She, poor little child, did not know that they did belong to one family, the great human family. Yes: and to another family, a family—all too large—those children brought into the world whose heritage is crime, sickness, incompetency, degeneracy—directly traceable to poverty—and—if you please—unnecessary poverty!

The relation of this incident does not emanate alone from criticism or pessimism; it is to visualize a condition close to the hearts of men and women in these United States.

The " mental slant " of the men upon the hilltop has changed. Business men have taken an account of stock and recognize the necessity of knowing—and considering—the " mental slant " of all those who work for a wage.

It is all the more to their credit that there is a moral fibre growing into the business fabric of this country, wholesome in the extreme. There is a preponderance of men engaged in business to-day who are real heroes in the world's work. They are the men who carry religion and the exercise of the Golden Rule into their dealings with their fellow-men. Not the kind of religion that warps the soul, prays on Sunday, lies on Monday, and grinds down one's fellow-men the rest of the week, but real religion deep down in the soul, that makes the heart beat for humanity, and recognizes and carries out the brotherhood of man.

There is no system of finance ever devised which approaches the usefulness of the system of sound Life Insurance to prevent pov-

erty—Life Insurance in its general application, and in its specific use by business concerns as a welfare measure.

One of the great values of Welfare Insurance is the effect upon the " mind slant " of the employee and his family. It should be borne in mind, in the practice of Welfare Insurance, whether the form of procedure be in individual policies or " en-group," that the " mind slant " of the wage earner himself is important, and his attitude of mind enhanced by that form of contract which benefits him during his own life.

CHAPTER XIV

Income Insurance

In the early practice of life insurance, it was found that moneys left from Life Insurance Policies were subjected to the same dissipation as occurs in Estates left to dependents from other sources. To avoid this evil and secure to the beneficiaries under policies the means of livelihood after death of the breadwinner, Income Insurance was originated. The name "Income" implies the nature of such policies or manner of payment of regular contracts. Through the ingenuity of Companies' able Actuaries, a great problem has been solved.

Under the present modern practice of the Life Insurance Companies it is possible to assure an income to any beneficiary or multiplicity of beneficiaries by eliminating entirely the hazard of forfeiture to or dissipation by the recipient or recipients of the proceeds of a policy or policies.

INCOME INSURANCE

Through income options in modern Life Insurance contracts the insured can build a monument in the mind of a dependent or loved one in the shape of a payment on a certain day of every year, or even month, as long as the beneficiary survives.

The entire proceeds of a policy can be left with a company at interest under a specified arrangement offering conditions more advantageous than afforded by the ordinary Trust.

This subject, like Business Life Insurance or Welfare Insurance, is one that should be treated in a book by itself. It is sufficient here to point out that the manner of paying such policies is almost limitless and offers a medium of thorough and secure protection for either a specified term of years or the life of an individual which is not equalled by any other system of finance.

CHAPTER XV

Laymen's Responsibility

The public are vitally interested in the laws enacted in the several States as affecting sound Life Insurance. They have a responsibility and interdependent relation to the subject of legislation, and this responsibility is a duty which every citizen owes the State, himself and the business, and to shirk this duty or to exercise it in an antagonistic manner is the grossest kind of short-sightedness.

Life Insurance is a quasi-public institution, and only such legislation which is founded upon the most extended practice of community of interest should be in the mind of any right-thinking citizen.

In the matter alone of taxation, the policyholders pay millions of dollars each year above the cost of administration, and any taxation above the cost of administration has

no foundation in reason, and is a direct burden upon thrift and protection of the home. The enactment of laws, whether taxation or otherwise, which are burdensome and expensive to the Companies, are, in fact, more important to the people themselves than the Companies as corporate entities.

In Chapter XII reference was made to the standardized representative in Life Insurance. There is upon the part of Life Insurance interests a genuine attempt to professionalize and standardize service to policyholders, and the results to policyholders in better arrangement give ample proof of greatly improved conditions and that progress is constantly going on. This progress, however, would proceed with far greater rapidity if the people themselves took a greater interest in Life Insurance and actually learned and carried out their responsibility and interdependent relation in the premises.

Life Insurance, as has been shown in the statements made throughout this book, espe-

cially in reference to its more modern practices, is not a thing apart from other ordinary affairs of life—it is very ordinary, very practical, but very important. Any attitude of aloofness, antagonism or disinterestedness on the part of laymen is the most short-sighted policy, because the business has now proven in itself great worth in the United States and has become a part—a very great part—of the moral and business fibre of the country.

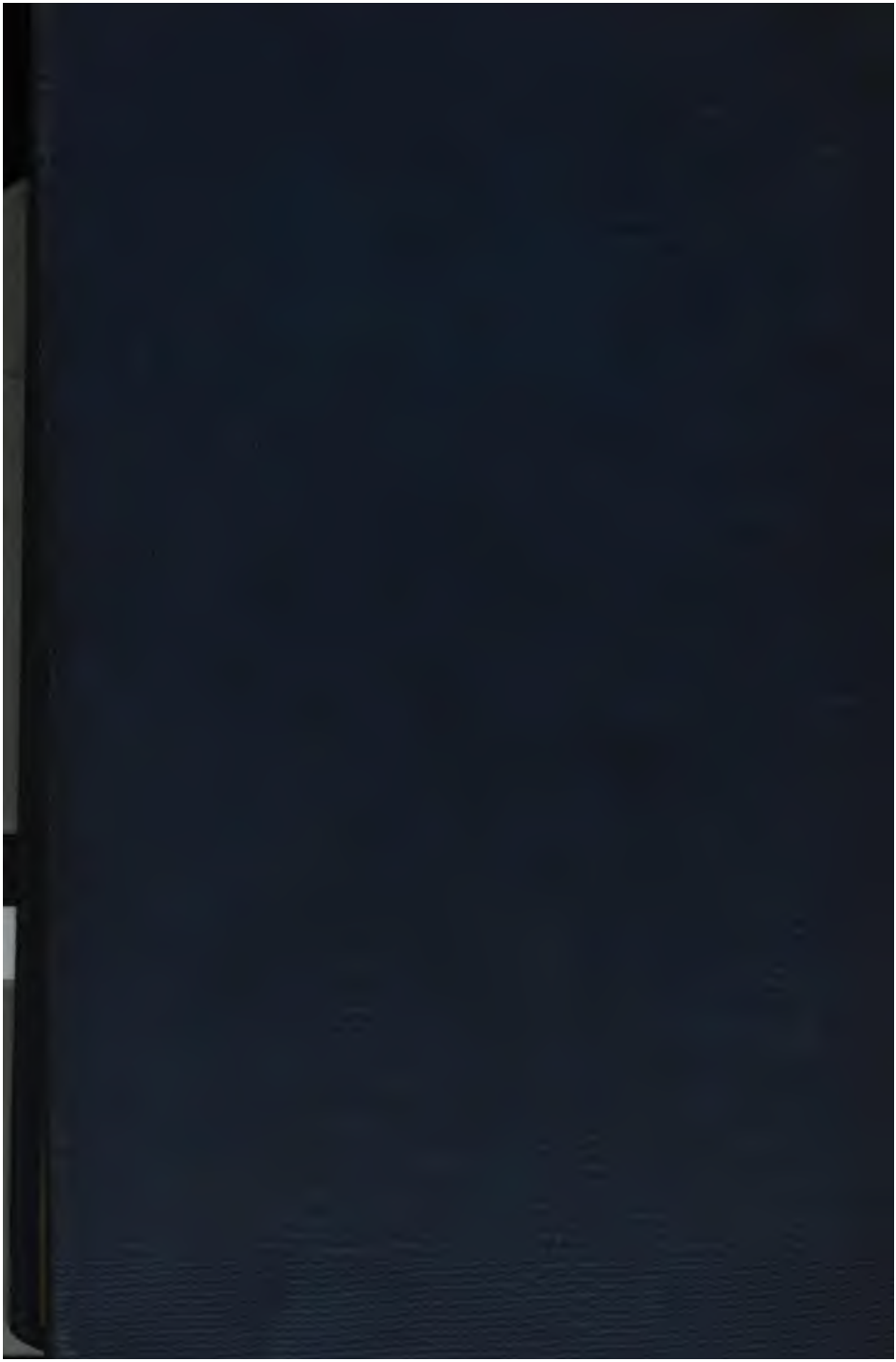
Disinterestedness, cumbersome legislation and indefensible taxation add to the cost of administration and marketing this very important product. Increased outlay in both cases adds to the cost of insurance to the individual policyholder. Then the public, by exercising the same fine discrimination in the purchase of Life Insurance which they employ in buying any other important commodity, will aid the insurance interests in eliminating the weaker representatives who also add to the cost of insurance and lower its professional dignity as well.

LAYMEN'S RESPONSIBILITY

The people have seen to it, through legislation, that they had reasonable protection in regard to those practitioners who were admitted to the practice of law or medicine or who were allowed to do other things of less importance. They are equally interested and should exercise similar precautionary measures in securing the passage of such laws as would make it impossible for any one to sell or attempt to sell them Life Insurance whose license to do this very important thing was not predicated upon educational fitness through standards laid down by the States themselves.

A lack of understanding and co-operation or recognition of the true nature of the principles and practice of interdependence as between employer and employee or between the people, the State and any world movement, or, in very fact, between nations and peoples themselves, is responsible for a vast majority of all the troubles and evils of mankind.

With this fact in mind and considering the

ramifying importance of sound Life Insurance, there can be no reason other than short-sighted supineness for the people in the United States not exercising a far greater spirit of interest and co-operation in so remarkable an institution, interwoven as it is in both their home and business life.

Finally, every policyholder should ever keep in mind that the one best option in a life insurance contract to exercise is carrying the policy through to the end and without ever passing a premium or borrowing money on the policy. That the chief function and all-important one to the insured is the selecting of his agent by the same standards employed in choosing a lawyer or a doctor.